REMARKS

Claims 1-28 are now pending in the application. Minor amendments have been made to claims 1 and 12. Support for the amendments can be found throughout the specification, exemplary embodiments, and claims as originally filed. As such, no new matter has been presented. The Examiner is respectfully requested to reconsider and withdraw the rejections in view of the amendments and remarks contained herein.

REJECTION UNDER 35 U.S.C. § 103

Claims 1-5 and 7-24 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Pat. No. 6,129,273 to Shah, in view of U.S. Pat. No. 5,040,226 to Elischer, and in further view of U.S. Pat. No. 6,125,196 to Carey et al. This rejection is respectfully traversed.

Applicants initially note that the subject matter recited in the claims is directed to a system and method which expedites the processing of a financial transaction by enabling validation and balancing of the transaction at the point of presentment. The claimed system and method provides for validation of the items in a transaction and the opportunity to correct an otherwise invalid item at the point of presentment. The claimed system and method also provides for balancing of the transaction and the opportunity to correct an otherwise out-of-balance transaction at the point of presentment. As a result, the claimed system and method assist a bank teller (or other operator art the point of presentment) in the compilation and posting of a valid and balanced transaction.

Claim 1 now recites that the balancing module is configured to reject the transaction <u>at the point of presentment</u> if the transaction is not balanced, to issue a message identifying an out-of-balance condition <u>at the point of presentment</u> if the transaction is not balanced, and to request corrective action <u>at the point of presentment</u> if the transaction is not balanced. Claim 1 also now recites that the validation module is configured to reject the item record <u>at the point of presentment</u> if the validation characteristic is not valid, to issue a message identifying an invalid validation characteristic <u>at the point of presentment</u> if the validation characteristic is not valid, and to request correction <u>at the point of presentment</u> if the validation characteristic is not valid. With respect to claim 1, Shah, Elischer, and Carey et al., individually and in combination, fail to teach or suggest such balancing and validation modules.

The Examiner admits that Shah and Elischer fail to teach a balancing module that is configured to reject the transaction at the point of presentment if the transaction is not balanced, to issue a message identifying an out-of-balance condition at the point of presentment if a transaction is not balanced, and to request corrective action at the point of presentment if a transaction is not balanced. (See p. 6 of the present Office Action). The Examiner also admits that Shah fails to teach a validation module that is configured to issue a message identifying an invalid validation characteristic at the point of presentment if the validation characteristic is not valid and to request correction at the point of presentment if the validation characteristic is not valid. (See p. 5 of the present Office Action). As best understood by Applicants, Elischer also fails to teach or suggest such a validation module.

The Examiner relies on Carey et al. to make up for the deficiencies of Shah and Elischer as they relate to the balancing and validation modules and steps of claims 1 and 12, respectively. (See p. 6-7 of the present Office Action). As best understood by Applicant, however, Carey et al. also fails to teach or suggest balancing and validation modules and steps that are configured to perform the actions recited in claims 1 and 12 at the point of presentment.

Instead, Carey et al. does not include workstations or workflows that perform transaction processing at the point of presentment. Instead Carey et al. describes a system and method in which workstation 50B receives batches of images of documents requiring MICR code line correction after transactions have been accepted the point of presentment. (See column 13, lines 10-12). The manual correction and reentry of data for various transactions as described in Carey et al. is performed after the point of presentment transaction processing. Similarly, Carey et al. describes a system in which the balancing workstation 50C processes out-of-balance transactions after transactions have been accepted at the point of presentment the point of presentment. (See column 13, lines 56-58). Carey et al. states that "[t]he Workstation 50 is also typically used for balancing blocks and/or batches of transactions." (See column 13, lines 58-59). Thus, manual validation and correction and manual balancing of transactions (i.e., blocks and/or batches) as described in Carey is performed after the point of presentment – not at the point of presentment.

Therefore, Carey et al. fails to teach or suggest (1) a balancing module that is configured, if the transaction is not balanced, to reject the transaction at the point of presentment, to issue a message identifying an out-of-balance condition at the point of

presentment, and to request a corrective action at the point of presentment; or (2) a validation module that is configured, if the validation characteristic is not valid, to reject the item record at the point of presentment, to issue a message identifying an invalid validation characteristic at the point of presentment, and to request correction at the point of presentment

Further, the teachings of Carey et al. and/or Elischer would <u>not</u> motivate one to modify the system of Shah to arrive at the validation and balancing modules of claim 1. As Applicants have previously pointed out, Shah is directed at an **automated** check cashing system to which the batch processing concepts of Carey et al. have no application. (See p. 13 of Applicants' Amendment filed June 9, 2009, and, e.g., the title of Shah).

Applicants respectfully assert that claim 1 should be allowable for at least the above reasons. Independent claim 12 includes limitations similar to those of claim 1 and should be allowable for at least similar reasons. The remaining claims ultimately depend from claim 1 or claim 12 and should be allowable for at least similar reasons.

CONCLUSION

It is believed that all of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicant therefore respectfully requests that the Examiner reconsider and withdraw all presently outstanding rejections. It is believed that a full and complete response has been made to the outstanding Office Action and the present application is in condition for allowance. Thus, prompt and favorable consideration of this amendment is respectfully requested. If the Examiner

believes that personal communication will expedite prosecution of this application, the
Examiner is invited to telephone the undersigned at (248) 641-1600.

Respectfully submitted,

/David A. McClaughry/

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